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To: Joann Allman/RTP/USEPA/US@EPA

04/07/03 09:55 AM

Subject: to OMB: * 8-hr O3 NAAQS implementation proposal--section on

CMAQ implications

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implications

Hi, Amy,

In my message from this morning, I noted that we were still working on the language in response to FHWA concerning the effect of the classification options on CMAQ. We now have draft language that I am placing in my working draft of the proposal. I am attaching it for you to distribute to FHWA and other federal agency representatives as appropriate.



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Depending on the specific characteristics of a nonattainment area, revocation of the 1-hour ozone standard will have varying effects on some Federal transportation program funds apportioned to the States through a formula established by the Transportation Equity Act for the 21st Century (TEA-21). TEA-21 establishes eligibility for the Congestion Mitigation and Air Quality Improvement (CMAQ) Program transportation funds for nonattainment and maintenance areas, designated under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)), provided the area is, or was, classified in accordance with CAA Sections 181, 186, and 188. Areas designated nonattainment after December 31, 1997 are also eligible, but without regard to classification. The amount of CMAQ funds available to States for use in nonattainment and maintenance areas is set at levels authorized by TEA-21. The funds are apportioned to States through the statutory formula contained in section 104(b) of Title 23. The formula takes into account the classifications of ozone and carbon monoxide nonattainment areas, and the population in such areas. The formula is weighted toward ozone nonattainment areas and does not account for particulate matter nonattainment areas.

As EPA begins implementation of the new 8-hour ozone NAAQS, changes regarding the classification of nonattainment areas, or the number of designated nonattainment or maintenance areas, will likely change the amount of CMAQ funds apportioned to each State, and thus available to nonattainment areas. Subsequently, nonattainment areas designated under the 8-hour ozone standard would all be eligible, but the formula for determining the amount of funds apportioned to the States would only take into account the areas that are classified pursuant to CAA Sections 181, 186, and 188. Until the option for classifying 8-hour ozone nonattainment areas is determined, it is impossible to predict the overall change in CMAQ funding for individual States or specific nonattainment areas.

EPA is aware that apportionment of CMAQ funds is calculated yearly and vary according to changing appropriations, population, number of nonattainment areas, and severity of air pollution. Fortunately, TEA-21 is due for reauthorization beginning October, 2003 and adjustments to the CMAQ eligibility criteria and apportionment formula can be made to account for the implementation of the 8-hour ozone standard. EPA understands the importance of CMAQ funding to States and nonattainment areas and is prepared to work with the U.S. Department of Transportation and Congress to minimize the unintended impact of the 8-hour ozone NAAQS, on those funds.